

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

**Organization Meeting
Friday, February 9, 2001**

4:00 p.m.

David Aiazzi, City Councilman of Reno, Commissioner
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Mayor of Sparks, Commissioner
Dan Carne, Washoe County School District Appointee
Jim Galloway, Washoe County, Commissioner
Richard Pugh, Member at Large, Commissioner
Robert Seach, Member at Large, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Deputy District Attorney

The Debt Management Commission (DMC) met in regular session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll and the meeting commenced for the purpose of conducting the following business.

AGENDA

On motion by COMMISSIONER AINSWORTH, seconded by COMMISSIONER SEACH, which motion duly carried, CHAIRMAN AIAZZA ordered that the agenda for the February 9, 2001 meeting be approved.

01-1DMC OATHS OF OFFICE

Amy Harvey, County Clerk, administered the oath of office to City of Reno appointee David Aiazzi, Washoe County School District appointee Dan Carne, and General Improvement District Electee James Ainsworth. It was noted that since Commissioner Galloway was absent, he will be sworn in at a future meeting.

01-2DMC AT-LARGE MEMBERS APPOINTED

Robert Seach and Richard Pugh were appointed at-large members to the Debt Management Commission for a term of two years. The County Clerk then administered the oath of office to COMMISSIONER SEACH and COMMISSIONER PUGH.

01-3DMC CHAIRMAN AND VICE CHAIRMAN APPOINTED

COMMISSIONER PUGH nominated COMMISSIONER AIAZZI as Chairman of the Debt Management Commission. There being no further nominations and the nomination being seconded by COMMISSIONER SEACH, Commissioner Aiazzi was appointed Chairman.

COMMISSIONER AINSWORTH nominated COMMISSIONER PUGH, as Vice Chairman of the Debt Management Commission. There being no further nominations and the nomination being seconded by COMMISSIONER CARNE, Commissioner Pugh was appointed Vice Chairman.

The Debt Management Commission then assembled with those in attendance as follows:

Present:

David Aiazzi, City of Reno, Commissioner, Chairman
Richard Pugh, Member at Large, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Dan Carne, Washoe County School District, Commissioner
Robert Seach, Member at Large, Commissioner

Amy Harvey, Washoe County Clerk
Paul Lipparelli, Deputy District Attorney

Absent:

Tony Armstrong, City of Sparks, Commissioner
Jim Galloway, Washoe County, Commissioner

MINUTES

On motion by COMMISSIONER AINSWORTH, seconded by COMMISSIONER PUGH, which motion duly carried with COMMISSIONER CARNE abstaining, CHAIRMAN AIAZZI ordered that the minutes of the meeting of October 20, 2000, be approved.

MEMBER COMMENTS

Commissioner Ainsworth asked if anything had been resolved concerning the role of the Debt Management Commission. Chairman Aiazzi responded no just what was discussed at a previous meeting and requested that an item be placed on the next agenda to discuss the Board's role and purpose.

Commissioner Seach said the members of this Commission are to be briefed by financial staff on bonding issues to determine financial feasibility.

Chairman Aiazzi said he is not sure if the purchase of Sierra Pacific Resources' water business by the three local entities will affect the bonding capacity. Paul Lipparelli, Legal Counsel, advised that revenue bonds are being proposed for that purchase.

PUBLIC COMMENTS

There was no response to the call for public comment.

4:20 p.m.

The meeting was adjourned.

**DAVID AIAZZI, Chairman
Debt Management Commission**

ATTEST: AMY HARVEY, County Clerk

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

**Quarterly and Special Meeting
Friday, April 6, 2001**

4:00 p.m.

PRESENT:

David Aiazzi, Chairman
James Ainsworth, Commissioner
Tony Armstrong, Commissioner
Dan Carne, Commissioner
Robert Seach, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Deputy District Attorney (arr 4:25 pm)

ABSENT:

Jim Galloway, Commissioner
Richard Pugh, Vice Chairman

The Debt Management Commission (DMC) met in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll and the meeting commenced for the purpose of conducting the following business.

AGENDA

On motion by Commissioner Armstrong, seconded by Commissioner Seach, which motion duly carried, Chairman Aiazzi ordered that the agenda for the April 6, 2001 meeting be approved.

MINUTES

On motion by Commissioner Armstrong seconded by Commissioner Ainsworth, which motion duly carried, Chairman Aiazzi ordered that the minutes of the February 9, 2001 meeting be approved.

PUBLIC COMMENTS

There was no response to the call for public comments.

**01-4DMC GENERAL OBLIGATION BONDS – CITY OF SPARKS -
\$8,000,000 – SEWER BONDS**

Terri Thomas, City of Sparks Finance Director, presented and explained the proposal by the City of Sparks to issue general obligation bonds additionally secured by pledged revenues in an amount not to exceed \$8-million and stated the purpose of the bonds is to continue the City's dedication to the effluent reuse projects. She stated the project was assumed in Sparks' Capital Improvement Plan over a 5-year period, is in their current rate structure for sewer use and connection fees, and they will not need to increase fees. Ms. Thomas advised this will not impact the overlapping tax rates.

Chairman Aiazzi asked why the bonds are general obligation backed and not revenue backed. Ms. Thomas stated that is a State requirement because the State Revolving Loan fund is involved. The Chairman also asked if the revenue is not sufficient to pay the bonds, would the tax rate then be impacted. Ms. Thomas stated these are limited tax bonds, which means the City of Sparks can not levy a specific tax to pay these bonds and they would have to look to the general revenues of the City. She further reported these bonds are included in their current rate structure, which was established in December, 1999; when the Council adopted that rate structure, they indicated they wanted to revisit rates in three years to make sure they were sufficient to carry out the needs of the sewer and storm drain infrastructure as well as the operations of the treatment plant, etc.; and if they need to adjust rates, they are set to do so within the next 15 months.

On motion by Commissioner Armstrong, seconded by Commissioner Ainsworth, which motion duly carried, it was ordered that the following resolution be adopted and Chairman Aiazzi be authorized to execute.

RESOLUTION NO. 01-4DMC

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), the City Council (the "Council") of Sparks, Nevada (the "City"), notified the secretary of the Washoe County Debt Management Commission (the "Secretary" and the "Commission," respectively) of the City's proposal to issue general obligations and submitted a statement of the City's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Council anticipates making a determination that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation sewer bonds; and

WHEREAS, the Council proposes to incur such general obligations without an election unless a petition, signed by the requisite number of registered voters of the City who together with any corporate petitioners represent the requisite assessed value of the taxable property of the City, is presented to the Council requiring the Council, prior to incurring such general obligations, to submit to the qualified electors of the City for their approval or disapproval, the following proposal to incur such general obligations:

GENERAL OBLIGATION SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the City Council of the City of Sparks, Nevada, be authorized to incur a general obligation indebtedness (additionally secured by pledged revenues) on behalf of the City by the issuance at one time, or from time to time, of the City's general obligation sewer bonds, in one series or more, in the aggregate principal amount of not exceeding \$8,000,000 for the purpose of acquiring, improving and equipping a City sanitary sewer project such bonds to mature commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies are available therefor), and to be issued and sold at, above, or below par at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the Council may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not less than twenty days thereafter, and

provided a copy of the Proposal to each member of the Commission with the notice of the meeting; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has received from the City a complete statement of current and contemplated general obligation debt, a debt management policy, a capital improvements plan (which includes the capital improvements proposed to be financed as provided in the Proposal) and a statement of the chief financial officer, in full compliance with paragraphs (a), (b), (c) and (d) of subsection 1 of NRS 350.0035; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF WASHOE, NEVADA:

Section 1. This resolution shall be known as the "2001 City of Sparks Sewer Bonds DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS §§ 350.0035 to 350.0051, inclusive have been met, and the Proposal for the issuance of general obligation sewer bonds (additionally secured by pledged revenues) in the maximum principal amount of \$8,000,000 by the City hereby is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity of unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

01-5DMC ROLE AND PURPOSE OF THE DEBT MANAGEMENT COMMISSION

Chairman Aiazzi distributed copies of Nevada Revised Statutes Chapter 350 pertaining to the role and purpose of the Debt Management Commission and stated that it is too late to try to make any legislative changes for the 2001 session. He stated the dilemma is that the bond proposals do not come to the Board all at the same time and the Board has no way of prioritizing bond issuances.

Commissioner Armstrong said as the region gets closer to the \$3.64 cap, prioritization becomes more and more important and this Board needs some real authority rather than being a “rubber stamp.”

Commissioner Ainsworth noted that the statute lists reasons the Board could not approve a potential bond and one of the requirements is that the proposed project must have been included in the entity’s capital improvement plan for the three previous years.

Chairman Aiazzi suggested the major entities, Washoe County, Reno, Sparks, and the School District, get together and draft an interlocal agreement whereby they agree to submit all their bond proposals to the DMC at the same time each year, for instance by June 1st.

Commissioner Armstrong wondered if they would be able to get an interlocal agreement that would be legal, and stated there would also have to be some flexibility for emergency situations.

Chairman Aiazzi stated another issue the Board has no authority over is when an entity decides to extend a debt. He cited an example of the School District planning to issue debt knowing that the City of Reno is scheduled to retire a debt, but then the City decides to extend the debt. He stated this situation has not been a problem in the past, but now that the overlapping rates are getting closer to the cap, it could become a real problem. He also advised that an entity can increase their tax rate without issuing bonds. Noting that they will not be able to seek any legislative changes until the next session, the Chairman asked the other Board members if they wanted to pursue an interlocal agreement. The other Board members agreed that something has to be done before the tax rate hits the cap. Chairman Aiazzi also noted any legislative changes would not stand much of a chance if the local entities are not in agreement.

John Sherman, Washoe County Finance Director, advised that voter approved overrides have priority. He presented the following scenario: The combined tax rate is \$3.60; a 4-cent voter override is approved; Washoe County wanted to increase its rate by 4-cents. In that situation, the voter override would take precedence and Washoe County could not raise its rate. Chairman Aiazzi asked what would happen if the County had raised its rate before the vote. Mr. Sherman stated somebody’s rate, probably the County’s, would have to be reduced. Chairman Aiazzi asked what would happen if a

voter override put the rate at \$3.65. Who decides which penny gets knocked off? Mr. Sherman stated Reno, Sparks and Washoe County would have to get together and come up with a plan to adjust the tax rate. He also stated the School District is excluded when it comes to adjusting the tax rate down to meet the \$3.64. Chairman Aiazzi stated an agreement concerning that is something the entities should be working out now.

* * * * **4:25 p.m. – Legal Counsel Paul Lipparelli arrived.** * * * *

In response to the Chairman, Mr. Lipparelli advised that an interlocal agreement could accomplish many things, but if one of the parties decided they did not want to be bound by it, the remedies are contractual or lawsuit. An agreement would not have the force of a statute.

Commissioner Armstrong suggested that the Finance Directors of Reno, Sparks, Washoe County, and the School District, and at least one representative from the General Improvement Districts form a committee and start working on language for an interlocal agreement to address these issues. He stated if they can come up with something that works for everyone, that would also provide the language for legislative changes in the next session.

Chairman Aiazzi stated this is not an action item on today's agenda, but each Board member could discuss this with their Board/Council, who could then direct their staff. He said they would need someone to act as coordinator. County Clerk Amy Harvey volunteered to get the process started by drafting a letter for the Chairman's signature to all the Finance Directors advising them of the Board's desire.

01-6DMC DISCUSSION – TRUCKEE MEADOWS WATER AUTHORITY
BONDING ISSUES

Commissioner Ainsworth stated he requested a discussion on the Truckee Meadows Water Authority (TMWA) several months ago, and, since that time, his GID has been involved and many of his questions have been answered. He did ask whether TMWA would come under this Board's purview like all other municipalities where they would have to submit their capital improvement plans and debt management program.

Commissioner Armstrong responded that is the plan. He also reported that he has learned that the proposed legislation by the Public Utilities Commission to regulate TMWA, as well as the other water and sewer systems, has gone away.

John Sherman, Washoe County Finance Director, stated according to the cooperative agreement, TMWA will not be able to issue general obligation debt, therefore, it would not come before the DMC. TMWA's only bonding authority would be revenue bonds. Chairman Aiazzi stated the City of Reno has offered to put its credit behind the issuance of any bonds since TMWA is such a new agency, if that is necessary. Mr. Sherman clarified and emphasized that any bonds could only be revenue bonds and there is no statutory authority for TMWA to issue general obligation bonds.

Commissioner Ainsworth cited NRS 350.0035, which states municipalities are to submit annual reports, CIP, debt management policies, etc., and NRS 244A, which states a municipality is a political subdivision created by cooperative agreement. Legal Counsel Lipparelli stated the Joint Powers Authority might fall within some statutory definitions of municipality. He stated that they argued vigorously that TMWA did not fit those definitions for the purpose of PUC regulation. He also stated that Chapter 350 applies to municipalities who intend to issue general obligation debt, and TMWA has no authority to issue general obligation debt.

Mr. Sherman stated if TMWA is required to submit its CIP, debt management plans, etc., to the DMC, it will certainly do so. A discussion then ensued concerning when this deal will close and issues that might still stop the sale.

Chairman Aiazzi stated they are really trying to get the word out that the water rates will not be raised for at least two years and distributed a copy of the resolution TMWA adopted. Commissioner Seach asked what would happen if TMWA did go into a debt situation. Chairman Aiazzi said they would then have to either raise the water rates or reduce costs.

MEMBER COMMENTS/PUBLIC COMMENTS

There was no response to the call for Member comments or additional public comments.

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DAVE AIAZZI, Chairman
Debt Management Commission

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Secretary, Debt
Management Commission

*Minutes Prepared By
Sharon Gotchy, Deputy County Clerk*

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

**Annual Meeting
Friday, July 27, 2001**

4:00 p.m.

PRESENT:

David Aiazzi, Chairman
Richard Pugh, Vice Chairman
James Ainsworth, Commissioner
Dan Carne, Commissioner
Jim Galloway, Commissioner
Robert Seach, Commissioner

Amy Harvey, County Clerk
Paul Lipparelli, Legal Counsel

ABSENT:

Tony Armstrong, Commissioner

The Debt Management Commission (DMC) met in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Aiazzi presiding. The Clerk called the roll and the meeting commenced for the purpose of conducting the following business.

01-7DMC OATH OF OFFICE

Amy Harvey, County Clerk, administered the oath of office to Washoe County appointee Commissioner Jim Galloway.

AGENDA

On motion by Commissioner Ainsworth, seconded by Commissioner Seach, which motion duly carried, Chairman Aiazzi ordered that the agenda for the July 27, 2001 Annual meeting be approved.

MINUTES

On motion by Commissioner Ainsworth, seconded by Commissioner Seach, which motion duly carried, Chairman Aiazzi ordered that the minutes of the April 6, 2001 meeting be approved.

PUBLIC COMMENTS

There was no response to the call for public comments.

**01-8DMC UPDATE – 2001 LEGISLATION AFFECTING THE DEBT
MANAGEMENT COMMISSION**

John Sherman, Finance Director, updated the Board on 2001 legislation that affects the Debt Management Commission. He stated that pursuant to the Board’s previous direction, the Finance Directors of the Cities of Reno, and Sparks, Washoe County, Washoe County School District and a representative from the Sun Valley General Improvement District met to discuss procedures concerning all of the entities who would submit proposals to the DMC for a general obligation debt or special elective tax at the same time, and the methods and processes to address proposals for general obligation debt or given the limited tax capacity remaining under the \$3.64 property tax cap.

1. Pursuant to Section 2 of Senate Bill No. 123, the Commission must take action to specify a certain percentage (not less than 75 percent) to consider the public need to be served by the proceeds from a proposed general obligation debt or special elective tax and compare that public need and other public needs that appear on the statements of current and contemplated general obligation debt or special elective tax if it would cause the tax rate to rise to within a certain percentage of the \$3.64 limit on the combined property tax rate in any of the overlapping entities within the County.

On motion by Commissioner Ainsworth, seconded by Commissioner Galloway, which motion duly carried, Chairman Aiazzi ordered that 90 percent be established for the purposes of NRS 350.0051(d).

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2. Establish priorities among essential and non-essential facilities and services for those occasions when the Commission must determine the public need to be served by the proceeds from a proposed debt or tax levy and compare that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special effective taxes submitted by municipalities that may affect the combined property tax rate in any of the overlapping entities within the County.

Mr. Sherman addressed questions concerning affected entities.

Commissioner Carne asked whether most entities in Washoe County would be considered affected entities. Mr. Sherman said it would depend on the set of relationships more than anything else; i.e., if Washoe County had a proposal for a bond and that bond would prohibit the City of Reno from levying an allowed but unauthorized rate, than the City of Reno would be an affected entity.

In response to Chairman Aiazzi's inquiry, Jennifer Stern, Swendseid & Stern, advised that Washoe County School District would never be an affected entity. She said the School District has a statutorily required operating rate of 75 cents and they can only levy a debt rate based upon voter approval. She said the Cities and County have operating rates that can fluctuate and they can choose not to levy the maximum allowable operating rate; the School District cannot do that because they are set by statute. Ms. Stern said the definition of affected entity is in the statute and is an entity that is not levying their maximum allowable operating rate.

Mr. Sherman said Washoe County has not imposed their entire rate and has an approximate 20-cent differential between the allowed rate and the imposed rate.

Following further discussion, on motion by Commissioner Galloway, seconded by Commissioner Ainsworth, which motion duly carried, Chairman Aiazzi ordered the following:

- A. Public Safety, Health and Education be established as essential facilities all having priority;
- B. All other facilities and services be established as nonessential; and
- C. County staff, pursuant to NRS 350.0033(2), be directed to work with the finance directors of the City of Reno, City of Sparks, the Washoe County School District and a representative of a general improvement district to review the statement of contemplated debt and special elective taxes on file with the DMC; compile a list of those proposals which are expected to require an increase in the rate of property tax; and report back to the DMC with recommendations on a process that the DMC may use to establish priorities among any proposals which will require tax rate in the essential category and among any proposals which will require tax rate in the nonessential category.

* * * * *

3. Direction to staff concerning methods used to resolve conflicts over the unlevied amount of property taxes that may be levied, for determining the highest and best use of the unlevied amount of property taxes that may be levied, and a procedure for allowing a municipality that does not levy the maximum amount of property taxes it could levy

- A. A method for resolving conflicts over the unlevied amount of property taxes that may be levied pursuant to NRS 354.59811, which may result from a proposed special elective tax or a general obligation debt. NRS 354.59811 refers to the limitation on the operating property tax rates for local governments other than school districts, redevelopment agencies and emergency telephone districts which generally allows an entity's property tax revenue to increase by 6 percent per year.

B. A method for determining the highest and best use of the unlevied amount of property taxes that may be levied pursuant to NRS 354.59811, which could be wholly or partially consumed by a proposed special elective tax or a general obligation debt. This method must be based upon a comparison of the public needs to be served by the proceeds from the proposed special elective tax or a general obligation debt and the public needs to be served by other possible debts or tax levies by other municipalities.

C. A procedure for allowing a municipality that does not levy the maximum amount of property taxes which it may levy pursuant to NRS 354.59811 to reserve a percentage of the remaining allowable increase of property taxes for use in the future and a procedure for determining whether to grant such a reservation. If established, such procedures must:

- 1) Allow all municipalities whose tax-levying powers may be affected by such a reservation to enter objections to such a reservation; and
- 2) Provide a method for resolving conflicts over the remaining allowable increase of property taxes between municipalities whose tax-levying power overlap, which must be based upon the highest and best use for the remaining allowable increase of property taxes.

Commissioner Galloway asked whether the school district could express concern about a proposed issuance of debt even though they would not be considered an affected entity. Ms. Stern said that when local governments file their annual statements of contemplated debt and special elective taxes, the DMC reviews the statements and prioritizes the ones that would affect the tax rate. She noted that does not mean the priority cannot be changed later on, because the law allows local governments to amend statements of contemplated debt, but no more than two times each fiscal year.

In response to Commissioner Galloway's inquiry, Ms. Stern said if the DMC approved a proposal to be placed on the ballot and it was approved by the voters, and than another local government (like Washoe County) who has not levied their maximum operating rate decided to go ahead and levy their full operating rate, the conflict would have to be worked out by the Department of Taxation.

Paul Lipparelli, Legal Counsel, said if the Board granted status to an affected entity, that would allow that entity to have more than just the opportunity to have notice of an issue. If an affected entity does not grant its consent to a proposal, it would than trigger the DMC's role as referee over that dispute. So if the Board goes beyond what the State law defines as an affected entity and then tries to use the DMC to resolve the conflict, they are allowing greater powers to those entities than State law does.

On motion by Commissioner Galloway, seconded by Commissioner Ainsworth, which motion duly carried, Chairman Aiazzi ordered that County staff, pursuant to NRS 350.0033(2) be directed to work with the finance directors of the City of Reno, City of Sparks, Washoe County School District and a representative of a general improvement district to develop procedures listed in A, B & C above, and draft recommendations with respect to such procedures to be considered for adoption by the DMC. It was further ordered that staff be directed to draft a Memorandum of Understanding between the major entities concerning timeframes by the DMC and bring back to the Board for approval.

01-9DMC RESOLUTION – WASHOE COUNTY GENERAL OBLIGATION BUILDING BONDS (\$19,900,000)

In response to Chairman Aiazzi's inquiry, John Sherman, Washoe County Finance Director, stated that if the revenue was insufficient to repay this particular debt then the County would be required to impose within its allowed operating rate an amount from its own property tax rate to satisfy this debt.

On motion by Commissioner Galloway, seconded by Commissioner Seach, which motion duly carried, it was ordered that the following resolution be adopted and Chairman Aiazzi be authorized to execute:

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE GENERAL OBLIGATION BUILDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES); CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH

WHEREAS, pursuant to §§ 350.001 through 350.006, Nevada Revised Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the County's proposal to issue general obligations and submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board of County Commissioners of the County (the "Board") proposes (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds described in the following proposal:

GENERAL OBLIGATION BUILDING BOND ADDITIONALLY SECURED BY PLEDGED REVENUES PROPOSAL:

Shall the Board of County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at

one time, or from time to time, of the County's general obligation (limited tax) building bonds, in one series or more, in the aggregate principal amount of not exceeding \$19,900,000 for the purpose of financing, wholly or in part, the acquisition, construction, improvement and equipment of building projects, including public buildings to accommodate or house lawful county activities including, without limitation, library facilities, maintenance facilities and juvenile detention facilities, as provided in NRS 244A.019, the bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at par, or below or above par, conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.0035 within the past year; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "2001 Building Bond DMC Approval Resolution."

Section 2. The provisions of NRS §§ 350.0035 to 350.0051 have been met, and the Proposal for the issuance of general obligation (limited tax) building bonds additionally secured with pledged revenues in the aggregate principal amount of \$19,900,000 proposed by the County is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

**01-10DMC CONSIDER ANNUAL REPORTS – POLITICAL SUBDIVISIONS’
CURRENT OR CONTEMPLATED GENERAL OBLIGATION
DEBT**

On motion by Commissioner Pugh, seconded by Commissioner Carne, which motion duly carried, Chairman Aiazzi ordered that the Annual Reports of political subdivisions’ current or contemplated general obligation debt be accepted.

**01-11DMC RECEIPT OF DEBT MANAGEMENT PLANS AND CAPITAL
IMPROVEMENT PROJECTS**

On motion by Commissioner Ainsworth, seconded by Commissioner Galloway, which motion duly carried, Chairman Aiazzi ordered that the Debt Management Plans and Capital Improvement Projects be accepted.

**01-12DMC SET DATES FOR COMMISSION QUARTERLY MEETINGS FOR
2001/2002**

On motion by Commissioner Galloway, seconded by Commissioner Ainsworth, which motion duly carried, Chairman Aiazzi ordered that the Quarterly Meeting dates for the Debt Management Meeting for 2001/2002, pursuant to NRS 350.003(3) be approved as follows: October 19, 2001, January 18, 2002, April 19, 2002, and July 19, 2002.

PUBLIC COMMENTS

There was no response to the call for public comments.

MEMBER COMMENTS

Commissioner Pugh asked if the Railroad Trench Project or the Baseball Stadium being considered by the City of Reno would have to come before the Debt Management Commission for approval. Chairman Aiazzi stated that the Railroad Trench Project does not involve property tax so it would not come before the DMC. He advised that if Reno City Council wanted to put a special election on the ballot, it would have to be approved unanimously by the Council. He said it is his understanding that before it can go on the ballot, it would have to come before the DMC.

* * * * *

There being no further business to come before the Board, the meeting adjourned at 5:15 p.m.

DAVE AIAZZI, Chairman
Debt Management Commission

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Secretary, Debt
Management Commission

*Minutes Prepared By
Jeraldine Magee, Deputy County Clerk*